

July 21, 2010

*New Law Ends Era of Abuses by "Too Big to Fail" Banks and Protects Homes, Jobs and Retirements from Wall Street Recklessness and Greed*

**WASHINGTON, DC** - U.S. Rep. Michael Arcuri (NY-24) hailed today as the end of an era of abuses by Wall Street and big banks that led to the worst financial crisis since the Great Depression and resulted in millions of working families losing their homes, jobs, and retirement savings. *The Wall Street Reform and Consumer Protection Act (H.R. 4173)*, which President Obama signed into law today, will end "too big to fail" taxpayer-funded bailouts, protect consumers from predatory lending, safeguard investments and savings, and inject transparency and accountability into our broken financial system.

"For years, government, led by Democrats and Republicans alike, looked the other way while Wall Street banks exploited loopholes, gambled money on complex schemes and rewarded failure and recklessness-all at the expense of hard working families and small businesses," **Arcuri said.**

"This legislation signed today by the President makes protecting consumers a priority and ensures that we are never again on the hook for Wall Street's risky decisions."

**Arcuri added,** "This legislation focuses on those responsible for the financial meltdown, ensuring that credit unions and our local banks-which play such an important role in our communities-are protected from undue regulatory burdens in the process."

*The Wall Street Reform and Consumer Protection Act* contains tough new regulations and oversight that will prevent Wall Street and big banks from engaging in the risky behavior that led to the financial collapse, including:

- **Increases Consumer Protection:** Creates a new independent watchdog, the Bureau of Consumer Financial Protection, to make sure that American consumers get the clear, accurate information they need to shop for mortgages, credit cards, and other financial products, and to protect them from hidden fees, abusive terms, and deceptive practices. For

the first time, one entity will have sole focus and responsibility for monitoring and enforcing federal consumer protection laws governing financial products;

- **Ends "Too Big to Fail" Taxpayer Bailouts:** Never again will taxpayers be asked to write a check to bail out financial firms that threaten the economy. This is accomplished by providing a safe way to liquidate failed firms, imposing tough capital and leverage requirements to deter firms from getting too big, and disallowing the Fed from propping up individual firms. It also establishes rigorous standards and supervision to protect the economy and American consumers, investors and businesses. Lastly, the law eliminates the Troubled Asset Relief Program (TARP) as of July 1, 2010;

- **Creates an Advance Warning System:** Creates a council to identify and address systemic risks posed by large, complex companies, products and activities before they threaten the stability of the economy;

- **Transparency and Accountability:** Eliminates loopholes that allow risky and abusive practices to go unnoticed and unregulated, including loopholes for over-the-counter derivatives, asset-backed securities, hedge funds, mortgage brokers and payday lenders;

- **Protects Investors:** Provides tough new rules for transparency and accountability for credit rating agencies to protect investors and businesses;

- **Increases Enforcement and Oversight:** More enforcement power and funding for the Securities and Exchange Commission (SEC), including requiring registration of hedge funds and private equity funds;

- **Reins in Egregious Executive Compensation:** Provides shareholders a "say on pay" by requiring independent directors on compensation committees and limiting bank executive risky pay practices that jeopardize banks' safety and soundness; and,

- **Protections for Small Businesses from Unreasonable Fees:** Requires the Federal Reserve to issue rules to end out-of-control swipe fees that banks and other card issuers charge for debit or prepaid-card purchases, saving merchants billions in hard-earned revenue.

The Wall Street Reform and Consumer Protection Act has been endorsed by the AARP, Consumer Federation of America, Consumers Union, Council of Institutional Investors, National Fair Housing Alliance, National Restaurant Association, Public Citizen, SEIU, and US PIRG, among other organizations.

[Click here for more information about how Wall Street Reform affects you.](#)